

# State of Misconsin LEGISLATIVE REFERENCE BUREAU

# RESEARCH APPENDIX - PLEASE DO NOT REMOVE FROM DRAFTING FILE

Date Added To File: 01/12/2004

(Per: ARG)

The <u>2003</u> drafting file for LRB 03-3520/1

has been copied/added to the 2003 drafting file for

LRB 03-4022

The attached 2003 draft was incorporated into the new 2003 draft listed above. For research purposes, this cover sheet and the attached drafting file were copied, and added, as a appendix, to the new 2003 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

This cover sheet was added to rear of the original 2003 drafting file. The drafting file was then returned, intact, to its folder and filed.

## 2003 DRAFTING REQUEST

Bill

Received	: 10/20/2003				Received By: aga	ary		
Wanted: Soon				Identical to LRB:				
For: Trai	nsportation				By/Representing: Paul Nilsen			
This file	may be shown	to any legislato	r: <b>NO</b>		Drafter: agary			
May Con	tact:			•	Addl. Drafters:			
Subject:	Transpo	ortation - misco	ellaneous		Extra Copies:	TNF, PJF	I, RJM	
Submit v	ia email: YES							
Requeste	r's email:	Paul.Nilsen	@dot.state	e.wi.us				
Carbon c	opy (CC:) to:							
Pre Top	ic:		· · · · · · · · · · · · · · · · · · ·					
No specif	fic pre topic gi	ven		. •				
Topic:				· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·		
DMV vel	hicle computer	system redesig	n; certificat	tes of title and	d national guard sp	ecial plates		
Instruct	ions:					· · · · · · · · · · · · · · · · · · ·		
See Attac	ched							
Drafting	History:							
Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	Submitted	Jacketed	Required	
/?			<b>t</b> = 2				State	
/P1	agary 11/03/2003	wjackson 11/13/2003 wjackson	rschluet 11/18/20	03	sbasford 11/18/2003		State	

. 01/09/2004 12:43:39 PM Page 2

Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	<u>Submitted</u>	<u>Jacketed</u>	Required
/1	phurley 01/09/2004	wjackson 01/09/2004 wjackson 01/09/2004	jfrantze 01/09/200	4	sbasford 01/09/2004	sbasford 01/09/2004 sbasford 01/09/2004 sbasford 01/09/2004	
FE Sent l	For:						
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## 2003 DRAFTING REQUEST

### Bill

Received: 10/20/2003

Received By: agary

Wanted: Soon

Identical to LRB:

For: Transportation

By/Representing: Paul Nilsen

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject:

Transportation - miscellaneous

Extra Copies:

TNF, PJH, RJM

Submit via email: YES

Requester's email:

Paul.Nilsen@dot.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

DMV vehicle computer system redesign; certificates of title and national guard special plates

**Instructions:** 

See Attached

**Drafting History:** 

Vers. **Drafted** Reviewed **Typed** Proofed Submitted

**Jacketed** 

Required

/?

State

/P1

agary 11/03/2003 wjackson 11/13/2003 rschluet 11/18/2003 sbasford 11/18/2003

wjackson

11/17/2003

11/18/2003 10:27:23 AM Page \*2

FE Sent For:

<END>

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Received By: agary

Wanted: Soon

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For: Transportation

By/Representing: Paul Nilsen

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**Instructions:** 

See Attached

**Drafting History:** 

Vers.

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**Drafted** 

Reviewed

/PI WLJ 11/17

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Submitted

**Jacketed** 

Required

State

FE Sent For:

) END>

## Gary, Aaron

Buckmaster, Carol Thursday, October 16, 2003 2:46 PM Gary, Aaron Nilsen, Paul; Frazier, Carson Remedial Legislation - Drafting Request

From:
Sent:
To:
Cc:
Subject:



### WISCONSIN DEPARTMENT OF TRANSPORTATION LEGISLATIVE PROPOSAL FORM REMEDIAL LEGISLATION

SHORT TITLE OF ISSUE: <u>Clean-up language for vehicle system redesign</u>

DIVISION(S): Motor Vehicles, Bureau of Vehicle Services	DIVISION ADMINISTRATORS' SIGNA- TURES:
DATE: August 14, 2002	
OPB CONTACT PERSON: Karen Baetsen	TELEPHONE #:266-0179
LEAD DIVISION CONTACT PERSON: Carson P. Frazier	TELEPHONE #:266-7857
OGC CONTACT PERSON: Joe Maassen	TELEPHONE #:266-7364

### DEFINE PROBLEM PRECISELY

Several statutory references in motor vehicle statutes, which were written to correspond to DMV's legacy registration system, will be obsolete with implementation of DMV's redesigned vehicle registration system. These provisions should be changed to reflect current environment, and avoid confusion.

#### PROPOSED SOLUTION

- (1) S.342.10(4) requires that if a vehicle comes from a state in which a lienholder is NOT listed on the title, then the Wisconsin title will have a notation "This vehicle may be subject to an undisclosed security interest." If, after 4 months, nobody has notified DOT that they have a security interest, then DOT will issue a clear title. This provision remains from many years ago, when many states did not require liens to be listed on vehicle titles. Now, all states require liens to be listed on titles, and this provision is no longer needed. The provision should be repealed.
- (2) S.342.13, relating to lost, stolen, or mutilated titles, requires specific wording to be printed on a replacement title indicating that it is a replacement title. The wording is unnecessarily long. As federal rules will require an increased number of title notations to be printed, long wording will interfere with our ability to print those notations. This provision should be amended to require that wording as determined by DOT be printed on the replacement title to indicate it is a replacement title without statutorily specifying the exact wording.
  - (3) S.341.14(6m) allows a special "Wisconsin National Guard" plate to be issued for an automobile or light truck. This was the first special plate established in law. Since then, other special plates have been authorized for not only automobile and light truck, but also light motor truck, dual purpose motor home or dual purpose farm truck, and also light farm truck. By policy, DMV has issued National Guard plates to all other eligible registration types. This provision should be amended to add all other eligible registration types,

making it exactly parallel with all other special plates.

(4) S.342.08 requires DOT to check stolen vehicle listings before titling a vehicle upon transfer of ownership. Current wording specifies that DOT check the listings in the department of justice. This provision was created several years ago. Since that time, federal law requires DMV to check stolen records through another look-up, the National Motor Vehicle Title Information System (MNVTIS). To avoid confusion, S.342.08 should be amended to eliminate the reference to the department of justice. DOT will still be required to check stolen vehicle records; only the specific method will be eliminated.

### LEGISLATIVE BACKCROUND

The suggested changes are all technical and non-controversial. No opposition is anticipated.

### Gary, Aaron

From:

Frazier, Carson

Sent:

Monday, October 20, 2003 9:32 AM

To:

Gary, Aaron Nilsen, Paul

Cc: Subject:

RE: Remedial Legislation - Drafting Request

all as one, I think.

----Original Message----

From: Gary, Aaron

Sent: Monday, October 20, 2003 9:15 AM

Cc: Nilsen, Paul; Frazier, Carson

Subject: RE: Remedial Legislation - Drafting Request

I forgot to ask: do you want these 4 items drafted as one bill, or do you want 4 separate bills? Thanks. Aaron

Aaron R. Gary Legislative Attorney Legislative Reference Bureau 608.261.6926 (voice) 608.264.6948 (fax) aaron.gary@legis.state.wi.us

----Original Message---From: Buckmaster, Carol

Sent: Thursday, October 16, 2003 2:46 PM

To: Gary, Aaron

Cc: Nilsen, Paul; Frazier, Carson

Subject: Remedial Legislation - Drafting Request

### Gary, Aaron

From:

Frazier, Carson

Sent:

Friday, October 31, 2003 10:17 AM

To:

Gary, Aaron

Cc:

Nilsen, Paul; Bernander, Paul; Howard, Tracy - DMV; Schmelzer, Janet; Brummond, Scott;

Imhoff, Cheryl; Niva, Gregory

**Subject:** 

RE: Remedial Legislation - Drafting Request

#### Hello Aaron.

Program staff says we do not need to keep reference to distinctive titles, so we can get rid of 342.12(2)(b) entirely.

----Original Message----

From: Gary, Aaron

Sent: Friday, October 31, 2003 9:23 AM

Cc: Nilsen, Paul; Frazier, Carson

Subject: RE: Remedial Legislation - Drafting Request

### Paul,

I'm sorry I couldn't get to this earlier, but I have been swamped with urgent drafting. I did check right away to see if it had been drafted and, though I can't say why, it actually hasn't been drafted. I'm hoping to get this drafted and into editing today, though the phone is starting to ring already for next week's floor period. Anyway, I already have a question on item 1. of the request, and there may be more to follow:

Item 1. basically involves repeal of s. 342.10 (4) because it is not needed. I am unable to decipher whehter s. 342.12 (2) (b) has a broader application than vehicles previously registered out of state. Despite its reference to s. 342.10 (4), it is unclear to me whether DOT uses the provision as authorization to issue a distinctive certificate in any situation where there is a question as to title but DOT does not want to withhold issuance under s. 342.12 (4) (a), or only where the question of title involves vehicles previously registered out-of-state. That is, do you want to repeal s. 342.12 (4) (b) and combine s. 342.12 (4) (intro.) and (a), or do you want s. 342.12 (4) (b) amended to recognize application beyond situations described in s. 342.10 (4)? If it is the former, are there other situations where a "distinctive certificate of title" is issued, or do we need to get rid of this reference throughout?

Thanks for your help. I'll get back to you if I have questions on other items in the request. Aaron

Aaron R. Gary Legislative Attorney Legislative Reference Bureau 608.261.6926 (voice) 608.264.6948 (fax) aaron.gary@legis.state.wi.us

----Original Message---From: Buckmaster, Carol

Sent: Thursday, October 16, 2003 2:46 PM

To: Gary, Aaron

Cc: Nilsen, Paul; Frazier, Carson

Subject: Remedial Legislation - Drafting Request

**2003 - 2004 LEGISLATURE** 



LRB-3520/P1 ARG:|..... WL<sub>l</sub>

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-Note

GEN

AN ACT ...; relating to:/ssuance of motor vehicle certificates of title and special

distinguishing registration plates that identify the bearer as a member of the

national guard.

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Analysis by the Legislative Reference Bureau

Under current law, the Department of Transportation (DOT) generally issues and delivers a certificate of title to the owner of a vehicle upon receipt of an application and the fee required for titling the vehicle, but must refuse issuance of a certificate of title if, among other things, DOT has reasonable grounds to believe the person alleged to be the owner of the vehicle is not the owner. If DOT is not satisfied as to the ownership of the vehicle, DOT may withhold issuance of the certificate of title until the applicant presents documents reasonably sufficient to satisfy DOT as to the applicant's ownership of the vehicle or, under specified circumstances, DOT may issue a distinctive certificate of title. With certain exceptions, DOT must issue a distinctive certificate of title, inscribed with a specified legend, for a vehicle that was last registered in another state if the law of that state does not require secured parties to be identified on the vehicle certificate of title order to have a perfected security interest. If DOT does not receive notice within four months of a security interest in the vehicle, DOT must, upon application and surrender of the distinctive certificate of title, issue a certificate of title in ordinary form.

This bill repeals these special requirements related to issuance of certificates of title to vehicles last registered in another state. Under the bill, such vehicles would be subject to the same provisions as other vehicles relating to issuance of certificates of title, and DOT would no longer issue distinctive certificates of title.

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Under current law, if a vehicle certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the vehicle owner must make application to DOT for a replacement certificate of title and furnish relevant information satisfactory to DOT. DOT may then issue a replacement certificate of title, which must bear this notice: "This is a replacement certificate and may be subject to the rights of a person under the original certificate." This bill allows DOT to determine the precise wording of the notice on a replacement certificate of title.

Under current law, DOT must check an application for a certificate of title against the records of stolen vehicles in the Department of Justice (DOJ) before issuing a certificate of title for a vehicle last <u>previously</u> registered in another jurisdiction or upon receiving an application for a certificate of title showing a transfer of ownership of a vehicle. This bill eliminates the reference to the DOJ, thereby allowing DOT to check the records of stolen vehicles through the most appropriate or cost-efficient database.

Under current law, members of authorized special groups may obtain special distinguishing registration plates for most motor vehicles that are owned or leased by members of these groups. Authorized special groups include active members and veterans of the U.S. army, navy, air force, coast guard, and marine corps. Members of these groups may obtain special distinguishing registration plates for automobiles, light trucks, motor homes, light farm trucks, light dual purpose motor homes, and light dual purpose farm trucks.

Also under current law, an active or retired member of the national guard may obtain for his or her automobile or light truck special distinguishing registration plates that identify the bearer as a Wisconsin guard member.

This bill allows a member of the national guard to also obtain special distinguishing "Wisconsin guard member" registration plates for a motor home, light farm truck, light dual purpose motor home, or light dual purpose farm truck.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 341.13 (2) of the statutes is amended to read:

341.13 (2) In addition to the matter specified in s. 341.12 (3), the registration plates for a vehicle registered on the basis of gross weight except a motor truck registered under s. 341.14 (6m) or 341.145 (1) (b), a dual purpose motor home, or a motor home, motor truck, farm truck or dual purpose farm truck registered under s. 341.14 (1), (1a), (1m), (1q), (1r) (a), (2), (6m), or (6r) or 341.145 (1) (a), (b), (c), (d)

(11)

or (e) or a motor truck or dual purpose farm truck registered under s. 341.14 (6) shall indicate the weight class into which the vehicle falls in a manner prescribed by the department. The gross weight which determines the registration fee for a motor truck registered under s. 341.14 (6m) or 341.145 (1) (b), a dual purpose motor home, or a motor home, motor truck, farm truck or dual purpose farm truck registered under s. 341.14 (1), (1a), (1m), (1q), (1r) (a), (2), (6m), or (6r) or 341.145 (1) (a), (b), (c), (d) or (e) or a motor truck or dual purpose farm truck registered under s. 341.14 (6) shall be shown on its certificate of registration.

SECTION 2. 341.14 (6m) (a) of the statutes is amended to read:

341.14 (6m) (a) Upon application to register an automobile or motor home, or a motor truck, dual purpose motor home, or dual purpose farm truck which has a gross weight of not more than 8,000 pounds, or a farm truck which has a gross weight of not more than 12,000 pounds, by any person who is a resident of this state and a member or retired member of the national guard, the department shall issue to the person special plates whose colors and design shall be determined by the department and which have the words "Wisconsin guard member" placed on the plates in the manner designated by the department. The department shall consult with or obtain the approval of the adjutant general with respect to any word or symbol used to identify the national guard. An additional fee of \$15 shall be charged for the issuance or reissuance of the plates. Registration plates issued under this subsection shall expire annually.

SECTION 3. 341.145 (1) (b) of the statutes is amended to read:

341.145 (1) (b) A registration plate of the same color and design as provided in s. 341.14 (6m) for an owned automobile or motor truck having a gross weight of not more than 8,000 pounds a vehicle specified under s. 341.14 (6m), which displays a

5	·
1	registration number composed of letters or numbers, or both, not exceeding 7
2	positions and not less than one position, requested by the applicant.
3	SECTION 4. 342.08 (intro.) of the statutes is amended to read:
4	342.08 Department to examine records. (intro.) The department shall
5	check the application for a certificate of title against the records of stolen vehicles $\overline{\mathbf{i}}$
6	the department of justice:
8 6	SECTION 5. 342.10 (4) of the statutes is repealed.  and (4)  SECTION 6. 342.12 (2) (intro.) of the statutes is consolidated, renumbered
9	342.12 (2) and amended to read:
10	342.12 (2) If the department is not satisfied as to the ownership of the vehicle
11	or that there are no undisclosed security interests in it, the department, subject to
12	sub. (3), shall either: Withhold withhold issuance of a certificate of title until the
13	applicant presents documents reasonably sufficient to satisfy the department as to
14	the applicant's ownership of the vehicle and that there are no undisclosed security
15	interests in it; or.
16	SECTION 7. 342.12 (2) (b) of the statutes is repealed.
17	SECTION 8. 342.12 (3) (intro.) and (b) of the statutes are amended to read:
18	342.12 (3) (intro.) Notwithstanding sub. (2), the department may issue a
19	nondistinctive certificate of title if the applicant fulfills either of the following
20	requirements:
21	(b) The applicant has filed with the department a bond in the form prescribed
22	by the department and executed by the applicant, and either accompanied by the
23)	deposit of cash with the department or also executed by a person authorized to
24	conduct a surety business in this state. The bond shall be in an amount equal to one
25	and one-half times the value of the vehicle as determined by the department and

conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney fees, by reason of the issuance of the certificate of title for the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of 5 years or prior thereto if, apart from this section, a nendistinctive certificate of title could then be issued for the vehicle, or if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

SECTION 9. 342.13 (1) of the statutes is amended to read:

342.13 (1) If a certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the owner or legal representative of the owner named in the certificate, as shown by the records of the department, shall promptly make application for and may obtain a replacement upon furnishing information satisfactory to the department. The replacement certificate of title shall contain the legend "This is a notation, in a form determined by the department, identifying the certificate as a replacement certificate and that may be subject to the rights of a person under the original certificate. If applicable under s. 346.65 (6), the replacement certificate of title shall include the notation "Per section 346.65 (6) of

- the Wisconsin statutes, ownership of this motor vehicle may not be transferred
- without prior court approval".

(END)

1 Note

## DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3520/P1dn ARG: ..... WLj

ATTN: Paul Nilsen

In amending the provisions of ss. 342.10 and 342.12, I notice that vestigial identical language appears in s. 101.9219 relating to titling manufactured homes. The same is true with respect to the amendment of s. 342.13 (1) and provisions related to certificates of title for boats (s. 30.54 (1)) and manufactured homes (s. 101.9207 (1)). You may wish to advise the Departments of Commerce and Natural Resources of these changes to ch. 342.

Aaron R. Gary Legislative Attorney Phone: (608) 261–6926

E-mail: aaron.gary@legis.state.wi.us

# DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-3520/P1dn ARG:wlj:rs

November 17, 2003

ATTN: Paul Nilsen

In amending the provisions of ss. 342.10 and 342.12, I notice that vestigial identical language appears in s. 101.9219 relating to titling manufactured homes. The same is true with respect to the amendment of s. 342.13 (1) and provisions related to certificates of title for boats (s. 30.54 (1)) and manufactured homes (s. 101.9207 (1)). You may wish to advise the departments of Commerce and Natural Resources of these changes to ch. 342.

Aaron R. Gary Legislative Attorney Phone: (608) 261–6926

E-mail: aaron.gary@legis.state.wi.us



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## State of Misconsin 2003 - 2004 LEGISLATURE



## PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

## REGEN

AN ACT to repeal 342.10 (4) and 342.12 (2) (b); to consolidate, renumber and amend 342.12 (2) (intro.) and (a); and to amend 341.13 (2), 341.14 (6m) (a), 341.145 (1) (b), 342.08 (intro.), 342.12 (3) (intro.) and (b) and 342.13 (1) of the statutes; relating to: issuance of motor vehicle certificates of title and special distinguishing registration plates that identify the bearer as a member of the national guard.

## Analysis by the Legislative Reference Bureau

Under current law, the Department of Transportation (DOT) generally issues and delivers a certificate of title to the owner of a vehicle upon receipt of an application and the fee required for titling the vehicle, but must refuse issuance of a certificate of title if, among other things, DOT has reasonable grounds to believe the person alleged to be the owner of the vehicle is not the owner. If DOT is not satisfied as to the ownership of the vehicle, DOT may withhold issuance of the certificate of title until the applicant presents documents reasonably sufficient to satisfy DOT as to the applicant's ownership of the vehicle or, under specified circumstances, DOT may issue a distinctive certificate of title. With certain exceptions, DOT must issue a distinctive certificate of title, inscribed with a specified legend, for a vehicle that was last registered in another state if the law of that state does not require secured parties to be identified on the vehicle certificate of title to have a perfected security interest. If DOT does not receive notice within four months

of a security interest in the vehicle, DOT must, upon application and surrender of the distinctive certificate of title, issue a certificate of title in ordinary form.

This bill repeals these special requirements related to issuance of certificates of title to vehicles last registered in another state. Under the bill, such vehicles would be subject to the same provisions as other vehicles relating to issuance of certificates of title, and DOT would no longer issue distinctive certificates of title.

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For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 341.13 (2) of the statutes is amended to read:

1

- 2 341.13 (2) In addition to the matter specified in s. 341.12 (3), the registration
- 3 plates for a vehicle registered on the basis of gross weight except a motor truck

registered under s. 341.14 (6m) or 341.145 (1) (b), a dual purpose motor home, or a motor home, motor truck, farm truck, or dual purpose farm truck registered under s. 341.14 (1), (1a), (1m), (1q), (1r) (a), (2), (6m), or (6r) or 341.145 (1) (a), (b), (c), (d), or (e) or a motor truck or dual purpose farm truck registered under s. 341.14 (6) shall indicate the weight class into which the vehicle falls in a manner prescribed by the department. The gross weight which determines the registration fee for -a motor truck registered under s. 341.14 (6m) or 341.145 (1) (b), a dual purpose motor home, or a motor home, motor truck, farm truck, or dual purpose farm truck registered under s. 341.14 (1), (1a), (1m), (1q), (1r) (a), (2), (6m), or (6r) or 341.145 (1) (a), (b), (c), (d), or (e) or a motor truck or dual purpose farm truck registered under s. 341.14 (6) shall be shown on its certificate of registration.

SECTION 2. 341.14 (6m) (a) of the statutes is amended to read:

341.14 (6m) (a) Upon application to register an automobile or a motor home, or a motor truck, dual purpose motor home, or dual purpose farm truck which has a gross weight of not more than 8,000 pounds, or a farm truck which has a gross weight of not more than 12,000 pounds, by any person who is a resident of this state and a member or retired member of the national guard, the department shall issue to the person special plates whose colors and design shall be determined by the department and which have the words "Wisconsin guard member" placed on the plates in the manner designated by the department. The department shall consult with or obtain the approval of the adjutant general with respect to any word or symbol used to identify the national guard. An additional fee of \$15 shall be charged for the issuance or reissuance of the plates. Registration plates issued under this subsection shall expire annually.

SECTION 3. 341.145 (1) (b) of the statutes is amended to read:

1	341.145 (1) (b) A registration plate of the same color and design as provided in
2	s. 341.14 (6m) for an owned automobile or motor truck having a gross weight of not
3	more than 8,000 pounds a vehicle specified under s. 341.14 (6m), which displays a
4	registration number composed of letters or numbers, or both, not exceeding 7
5	positions and not less than one position, requested by the applicant.
6	SECTION 4. 342.08 (intro.) of the statutes is amended to read:
7	342.08 Department to examine records. (intro.) The department shall
8	check the application for a certificate of title against the records of stolen vehicles in
9	the department of justice:
10	SECTION 5. 342.10 (4) of the statutes is repealed.
11	SECTION 6. 342.12 (2) (intro.) and (a) of the statutes are consolidated,
12	renumbered 342.12 (2) and amended to read:
13	342.12 (2) If the department is not satisfied as to the ownership of the vehicle
14	or that there are no undisclosed security interests in it, the department, subject to
15	sub. (3), shall either: Withhold withhold issuance of a certificate of title until the
16	applicant presents documents reasonably sufficient to satisfy the department as to
17	the applicant's ownership of the vehicle and that there are no undisclosed security
18	interests in it <del>; or</del> .
19	SECTION 7. 342.12 (2) (b) of the statutes is repealed.
20	SECTION 8. 342.12 (3) (intro.) and (b) of the statutes are amended to read:
21	342.12 (3) (intro.) Notwithstanding sub. (2), the department may issue a
22	nondistinctive certificate of title if the applicant fulfills either of the following
23	requirements:
24	(b) The applicant has filed with the department a bond in the form prescribed
25	by the department and executed by the applicant, and either accompanied by the

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deposit of cash with the department or also executed by a person authorized to conduct a surety business in this state. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the department and conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney fees, by reason of the issuance of the certificate of title for the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of 5 years or prior thereto if, apart from this section, a nondistinctive certificate of title could then be issued for the vehicle, or if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

**Section 9.** 342.13 (1) of the statutes is amended to read:

342.13 (1) If a certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the owner or legal representative of the owner named in the certificate, as shown by the records of the department, shall promptly make application for and may obtain a replacement upon furnishing information satisfactory to the department. The replacement certificate of title shall contain the legend "This is a notation, in a form determined by the department, identifying the certificate as a replacement certificate and that may be subject to the rights of a

1	person under the original certificate. If applicable under s. 346.65 (6), the
2	replacement certificate of title shall include the notation "Per section 346.65 (6) of
3	the Wisconsin statutes, ownership of this motor vehicle may not be transferred
4	without prior court approval".

(END)

Reports	Required:	EE-CTAT	E
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## 2003 ASSEMBLY BILL \_\_

LRB -3520

relating to: issuance of motor vehicle certificates of title and special distinguishing registration plates that identify the bearer as a member of the national guard.

(PRINCIPAL AUTHOR)		•
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## State of Misconsin 2003 - 2004 LEGISLATURE

LRB-3520/1 ARG:wlj:jf

## 2003 BILL

AN ACT to repeal 342.10 (4) and 342.12 (2) (b); to consolidate, renumber and amend 342.12 (2) (intro.) and (a); and to amend 341.13 (2), 341.14 (6m) (a), 341.145 (1) (b), 342.08 (intro.), 342.12 (3) (intro.) and (b) and 342.13 (1) of the statutes; relating to: issuance of motor vehicle certificates of title and special distinguishing registration plates that identify the bearer as a member of the national guard.

## Analysis by the Legislative Reference Bureau

Under current law, the Department of Transportation (DOT) generally issues and delivers a certificate of title to the owner of a vehicle upon receipt of an application and the fee required for titling the vehicle, but must refuse issuance of a certificate of title if, among other things, DOT has reasonable grounds to believe the person alleged to be the owner of the vehicle is not the owner. If DOT is not satisfied as to the ownership of the vehicle, DOT may withhold issuance of the certificate of title until the applicant presents documents reasonably sufficient to satisfy DOT as to the applicant's ownership of the vehicle or, under specified circumstances, DOT may issue a distinctive certificate of title. With certain exceptions, DOT must issue a distinctive certificate of title, inscribed with a specified legend, for a vehicle that was last registered in another state if the law of that state does not require secured parties to be identified on the vehicle certificate of title to have a perfected security interest. If DOT does not receive notice within four months

of a security interest in the vehicle, DOT must, upon application and surrender of the distinctive certificate of title, issue a certificate of title in ordinary form.

This bill repeals these special requirements related to issuance of certificates of title to vehicles last registered in another state. Under the bill, such vehicles would be subject to the same provisions as other vehicles relating to issuance of certificates of title, and DOT would no longer issue distinctive certificates of title.

Under current law, if a vehicle certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the vehicle owner must make application to DOT for a replacement certificate of title and furnish relevant information satisfactory to DOT. DOT may then issue a replacement certificate of title, which must bear this notice: "This is a replacement certificate and may be subject to the rights of a person under the original certificate." This bill allows DOT to determine the precise wording of the notice on a replacement certificate of title.

Under current law, DOT must check an application for a certificate of title against the records of stolen vehicles in the Department of Justice (DOJ) before issuing a certificate of title for a vehicle last registered in another jurisdiction or upon receiving an application for a certificate of title showing a transfer of ownership of a vehicle. This bill eliminates the reference to DOJ, thereby allowing DOT to check the records of stolen vehicles through the most appropriate or cost-efficient database.

Under current law, members of authorized special groups may obtain special distinguishing registration plates for most motor vehicles that are owned or leased by members of these groups. Authorized special groups include active members and veterans of the U.S. army, navy, air force, coast guard, and marine corps. Members of these groups may obtain special distinguishing registration plates for automobiles, light trucks, motor homes, light farm trucks, light dual purpose motor homes, and light dual purpose farm trucks.

Also under current law, an active or retired member of the national guard may obtain for his or her automobile or light truck special distinguishing registration plates that identify the bearer as a Wisconsin guard member.

This bill allows a member of the national guard to obtain special distinguishing "Wisconsin guard member" registration plates for a motor home, light farm truck, light dual purpose motor home, or light dual purpose farm truck.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- Section 1. 341.13 (2) of the statutes is amended to read:
- 2 341.13 (2) In addition to the matter specified in s. 341.12 (3), the registration
- 3 plates for a vehicle registered on the basis of gross weight except a motor truck

registered under s. 341.14 (6m) or 341.145 (1) (b), a dual purpose motor home, or a motor home, motor truck, farm truck, or dual purpose farm truck registered under s. 341.14 (1), (1a), (1m), (1q), (1r) (a), (2), (6m), or (6r) or 341.145 (1) (a), (b), (c), (d), or (e) or a motor truck or dual purpose farm truck registered under s. 341.14 (6) shall indicate the weight class into which the vehicle falls in a manner prescribed by the department. The gross weight which determines the registration fee for -a motor truck registered under s. 341.14 (6m) or 341.145 (1) (b), a dual purpose motor home, or a motor home, motor truck, farm truck, or dual purpose farm truck registered under s. 341.14 (1), (1a), (1m), (1q) (1r) (a), (2), (6m), or (6r) or 341.145 (1) (a), (b), (c), (d), or (e) or a motor truck or dual purpose farm truck registered under s. 341.14 (6) shall be shown on its certificate of registration.

SECTION 2. 341.14 (6m) (a) of the statutes is amended to read:

341.14 (6m) (a) Upon application to register an automobile or a motor home, or a motor truck, dual purpose motor home, or dual purpose farm truck which has a gross weight of not more than 8 000 pounds, or a farm truck which has a gross weight of not more than 12,000 pounds, by any person who is a resident of this state and a member or retired member of the national guard, the department shall issue to the person special plates whose colors and design shall be determined by the department and which have the words "Wisconsin guard member" placed on the plates in the manner designated by the department. The department shall consult with or obtain the approval of the adjutant general with respect to any word or symbol used to identify the national guard. An additional fee of \$15 shall be charged for the issuance or reissuance of the plates. Registration plates issued under this subsection shall expire annually.

**SECTION 3.** 341.145 (1) (b) of the statutes is amended to read:

requirements:

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341.145 (1) (b) A registration plate of the same color and design as provided in
s. 341.14 (6m) for an owned automobile or motor truck having a gross weight of not
more than 8,000 pounds a vehicle specified under s. 341.14 (6m), which displays a
registration number composed of letters or numbers, or both, not exceeding 7
positions and not less than one position, requested by the applicant.
SECTION 4. 342.08 (intro.) of the statutes is amended to read:
342.08 Department to examine records. (intro.) The department shall
check the application for a certificate of title against the records of stolen vehicles in
the department of justice:
SECTION 5. 342.10 (4) of the statutes is repealed.
SECTION 6. 342.12 (2) (intro.) and (a) of the statutes are consolidated,
renumbered 342.12 (2) and amended to read:
342.12 (2) If the department is not satisfied as to the ownership of the vehicle
or that there are no undisclosed security interests in it, the department, subject to
sub. (3), shall either: Withhold withhold issuance of a certificate of title until the
applicant presents documents reasonably sufficient to satisfy the department as to
the applicant's ownership of the vehicle and that there are no undisclosed security
interests in it; or.
SECTION 7. 342.12 (2) (b) of the statutes is repealed.

SECTION 8. 342.12 (3) (intro.) and (b) of the statutes are amended to read:

nondistinctive certificate of title if the applicant fulfills either of the following

by the department and executed by the applicant, and either accompanied by the

342.12 (3) (intro.) Notwithstanding sub. (2), the department may issue a

(b) The applicant has filed with the department a bond in the form prescribed

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deposit of cash with the department or also executed by a person authorized to conduct a surety business in this state. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the department and conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney fees, by reason of the issuance of the certificate of title for the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of 5years or prior thereto if, apart from this section, a nondistinctive certificate of title could then be issued for the vehicle, or if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

SECTION 9. 342.13 (1) of the statutes is amended to read:

342.13 (1) If a certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the owner or legal representative of the owner named in the certificate, as shown by the records of the department, shall promptly make application for and may obtain a replacement upon furnishing information satisfactory to the department. The replacement certificate of title shall contain the legend "This is a notation, in a form determined by the department, identifying the certificate as a replacement certificate and that may be subject to the rights of a

person under the original certificate. If applicable under s. 346.65 (6), the replacement certificate of title shall include the notation "Per section 346.65 (6) of the Wisconsin statutes, ownership of this motor vehicle may not be transferred without prior court approval".

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(END)